

## Message Text

UNCLASSIFIED

PAGE 01 STATE 310876  
ORIGIN EB-08

INFO OCT-01 IO-14 TRSE-00 ISO-00 SIG-02 MMO-04 OIC-02  
L-03 FRB-01 OMB-01 ITC-01 SP-02 USIA-15 AGRE-00  
AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00  
SIL-01 STR-05 CEA-01 SS-15 NSC-05 PA-02 PRS-01  
AF-10 ARA-14 EA-12 EUR-12 NEA-10 /158 R

DRAFTED BY EB/ORF/ICD/CPD:GAGOWEN  
APPROVED BY EB/ORF:SWBOSWORTH  
IO/IEP:DCOHN (DRAFT)  
TREASURY:HGALE (DRAFT)

-----046405 311636Z /44

R 302340Z DEC 77  
FM SECSTATE WASHDC  
TO ALL DIPLOMATIC POSTS

UNCLAS STATE 310876

USEEC, USOECD

E.O. 11652: N/A

TAGS: ETRD, EGEN, PORG, UNGA, UNCTAD

SUBJECT: COMMON FUND: UNGA RESOLUTION AND U.S. STATEMENT

REFS: A) USUN 5781 NOTAL, B) USUN 5713, C) STATE 295701  
NOTAL

1. THIS MESSAGE TRANSMITS TEXT OF G-77 RESOLUTION ON  
SUSPENSION OF UNCTAD COMMON FUND TALKS, AS APPROVED BY  
COMMITTEE 2 DECEMBER 16. U.S. STATEMENT IN COMMITTEE 2  
ALSO INCLUDED. FINAL TEXT OF RESOLUTION IS UNCHANGED FROM  
ORIGINAL VERSION SENT TO SELECTED G-77 AND OECD CAPITALS  
IN REFTEL C. VOTE IN COMMITTEE 2 WAS 102-0-13 (U.S.) AND  
VOTE IN UNGA WAS 127-0-13 (U.S.). COUNTRIES ABSTAINING  
UNCLASSIFIED

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PAGE 02 STATE 310876

WERE: U.S., U.K., FRG, JAPAN, FRANCE, BELGIUM, ITALY,  
CANADA, AUSTRALIA, NEW ZEALAND, IRELAND, LUXEMBOURG AND  
GREECE. MEMBERS OF GROUP B VOTING FOR RESOLUTION WERE:  
NETHERLANDS, DENMARK, NORWAY, SWEDEN, FINLAND, SPAIN AND  
PORTUGAL.

2. THIS MATERIAL IS BEING SENT TO POSTS FOR YOUR INFOR-

MATION AND BACKGROUND. WE ARE NOT REQUESTING THAT YOU INITIATE FURTHER CONSULTATIONS WITH HOST GOVERNMENTS ON THE COMMON FUND AT THIS TIME. IN THE EVENT HOST GOVERNMENT OFFICIALS ENQUIRE REGARDING U.S. POSITION ON RESUMPTION OF COMMON FUND TALKS, POSTS SHOULD REFER TO U.S. STATEMENT

BELOW AND TO DECEMBER 21 ADDRESS IN PLENARY BY AMBASSADOR YOUNG FOR GUIDANCE. LATTER CONTAINED IN WIRELESS FILE.

3. TEXT OF RESOLUTION A/C.2/32/L.95 FOLLOWS: BEGIN TEXT.

THE GENERAL ASSEMBLY

RECALLING ITS RESOLUTION 3201 (S-VI) AND 3202 (S-VI) OF 1 MAY 1974 CONTAINING THE DECLARATION AND THE PROGRAMME OF ACTION ON THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER AND 3362 (S-VII) OF 16 SEPTEMBER 1975 ON DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION.

RECALLING RESOLUTION 93(IV) OF 30 MAY 1976 OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT ON THE INTEGRATED PROGRAMME FOR COMMODITIES AND THE AGREED TIME-TABLE IN THAT RESOLUTION CONCERNING NEGOTIATION OF A COMMON FUND AND FOR THE COMPLETION OF ALL PREPARATORY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 310876

MEETINGS AND NEGOTIATIONS ON INDIVIDUAL COMMODITIES.

NOTING THE INTENSIVE WORK AT THE THREE PREPARATORY MEETINGS HELD UNDER THE AUSPICES OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT DURING THE PERIOD FROM NOVEMBER 1976 TO MARCH 1977 TO PROVIDE THE NECESSARY TECHNICAL BASIS FOR THE UNITED NATIONS NEGOTIATING CONFERENCE ON A COMMON FUND.

CONCERNED THAT THE FIRST SESSION OF THE NEGOTIATING CONFERENCE HELD FROM MARCH TO APRIL 1977 FAILED TO PRODUCE ANY RESULT.

NOTING THE AGREEMENT OF GOVERNMENTS THAT A COMMON FUND SHOULD BE ESTABLISHED AS A NEW ENTITY TO SERVE AS A KEY INSTRUMENT IN ATTAINING THE AGREED OBJECTIVES OF THE INTEGRATED PROGRAMME FOR COMMODITIES AS EMBODIED IN RESOLUTION 93(IV) OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT; THE AGREEMENT THAT THE SPECIFIC PURPOSE AND OBJECTIVES OF A COMMON FUND, AS WELL AS ITS OTHER CONSTITUENT ELEMENTS, WILL CONTINUE TO BE NEGOTIATED IN THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOP-

MENT; AND THE PLEDGE TO SECURE A SUCCESSFUL CONCLUSION AT THE RESUMED SESSION OF THE NEGOTIATING CONFERENCE SCHEDULED THEN FOR NOVEMBER 1977 AT PLENIPOTENTIARY LEVEL.

DEEPLY CONCERNED THAT THE SECOND SESSION OF THE NEGOTIATING CONFERENCE HAD TO BE SUSPENDED ON 1 DECEMBER 1977 BECAUSE OF FAILURE TO AGREE ON EVEN THE BASIC ELEMENTS OF A COMMON FUND WHICH WOULD MAKE IT A KEY INSTRUMENT OF THE INTEGRATED PROGRAMME FOR COMMODITIES IN CLEAR CONTRADICTION OF THE COMMITMENTS MADE AT THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION IN PARIS AND SUBSEQUENTLY REAFFIRMED WITHIN THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 310876

MINDFUL OF THE SERIOUS REPERCUSSIONS WHICH THIS LACK OF RESULT WILL HAVE ON THE CURRENT NEGOTIATIONS ON INDIVIDUAL COMMODITIES AND ON THE IMPLEMENTATION OF THE INTEGRATED PROGRAMME FOR COMMODITIES AS A WHOLE.

ACUTELY AWARE THAT THE FAILURE OF THE NEGOTIATIONS ON A COMMON FUND WILL ADVERSELY AFFECT THE COURSE OF INTERNATIONAL ECONOMIC COOPERATION, WITH SERIOUS CONSEQUENCES FOR THE FUTURE RELATIONSHIPS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES.

NOTING ALSO THAT THE DEVELOPING COUNTRIES AND MANY DEVELOPED COUNTRIES ARE AGREED ON THOSE BASIC ELEMENTS OF A COMMON FUND WHICH WILL INDEED MAKE IT A KEY INSTRUMENT FOR ATTAINING THE AGREED OBJECTIVES OF THE INTEGRATED PROGRAMME FOR COMMODITIES, AND EXPRESSING APPRECIATION TO THOSE COUNTRIES WHICH HAVE ANNOUNCED PLEDGES TO THE COMMON FUND.

1. CALLS UPON THOSE COUNTRIES WHICH HAVE NOT YET DONE SO TO TAKE THE NECESSARY POLITICAL DECISIONS ON SUCH BASIC ELEMENTS IN ORDER TO ENABLE THE NEGOTIATING CONFERENCE TO RESUME ITS WORK WITHIN A CLEARLY ESTABLISHED NEGOTIATING FRAMEWORK;

2. REAFFIRMS THE URGENCY OF ESTABLISHING THE COMMON FUND AND, TO THAT END, REQUESTS THE SECRETARY-GENERAL OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT TO UNDERTAKE CONSULTATIONS WITH A VIEW TO RECONVENING THE NEGOTIATING CONFERENCE EARLY IN 1978. END TEXT.

4. TEXT OF U.S. STATEMENT AT TIME OF VOTE IN COMMITTEE 2 FOLLOWS: BEGIN TEXT. WE WOULD FIRST EXPRESS OUR  
UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 310876

APPRECIATION TO YOU, MR. CHAIRMAN, AND TO ALL THE OTHERS  
WITH WHOM WE HAVE WORKED IN AN EFFORT TO REACH CONSENSUS  
WITH REGARD TO RESOLUTION L.95.

UNFORTUNATELY, WE HAVE BEEN UNABLE TO REACH AGREEMENT ON  
A RESOLUTION THAT WOULD HAVE MOVED FORWARD THE WORK THAT  
REMAINS TO BE DONE ON THE COMMON FUND. MY GOVERNMENT WAS  
WILLING TO GO ALONG WITH A COMPROMISE THAT WOULD HAVE  
MADE THIS RESOLUTION A POSITIVE, NON-PREJUDICIAL STATEMENT  
AND WOULD HAVE SET THE NEGOTIATIONS ON THE COMMON FUND  
BACK ON COURSE. A COMPROMISE WAS REJECTED. THIS WILL  
NOT HELP THE NEGOTIATIONS.

AT THE RECENT NEGOTIATING CONFERENCE THE UNITED STATES  
AND OTHER INDUSTRIALIZED COUNTRIES DID NOT CALL FOR A  
SUSPENSION. WE WISHED TO CONTINUE TO NEGOTIATE. THE  
ONLY HOPE FOR SUCCESSFUL NEGOTIATIONS ON THE COMMON FUND  
IS A WILLINGNESS ON ALL SIDES TO EXAMINE CAREFULLY ALL  
SERIOUS PROPOSALS PUT FORWARD. NEGOTIATIONS CANNOT PRO-  
CEED IF EITHER SIDE INSISTSON IMPOSING PRE-DETERMINED  
FORMULAS. FOR THIS REASON MY GOVERNMENT STRONGLY  
BELIEVES THIS RESOLUTION IS A SERIOUS STEP BACKWARD.  
END TEXT. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** UNGA RESOLUTIONS  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
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**Drafter:** GAGOWEN  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Message ID:** 9f780efd-c188-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 USUN NEW YORK 5781, 78 USUN NEW YORK 5713, 78 STATE 295701  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 134604  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COMMON FUND: UNGA RESOLUTION AND U.S. STATEMENT  
**TAGS:** ETRD, EGEN, PORG, UNGA, UNCTAD  
**To:** ALL POSTS  
**Type:** TE  
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**Review Markings:**  
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